

Registered number: 10924127



**WAYVE TECHNOLOGIES LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**WAYVE TECHNOLOGIES LTD**

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**WAYVE TECHNOLOGIES LTD**

**COMPANY INFORMATION**

**Directors**

M Dempsey  
A G Kendall  
S Winterroth

**Registered number**

10924127

**Registered office**

230 York Way  
London  
N7 9AG

**Independent auditors**

Price Bailey LLP  
Chartered Accountants and Statutory Auditors  
24 Old Bond Street  
London  
W1S 4AP

## **WAYVE TECHNOLOGIES LTD**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present the Group Strategic Report of Wayve Technologies Ltd (the "Company") and its subsidiary (the "Group") for the year ended 31 August 2022.

#### **Business review**

The Group conducts research and development activities to build its differentiated "AV2.0" self-driving approach using end-to-end deep learning. Traditional approaches to self-driving ("AV1.0") rely on brittle, hard-coded rules to perform the driving task. These approaches are inherently difficult to scale and fail to deal with the complexity of dense urban environments. This classical "AV1.0" stack relies on heavy sensors, like LIDAR, and virtual infrastructure in the form of HD maps in order to support perception and localisation. Instead of relying on this kind of heavy infrastructure, the Group builds embodied artificial intelligence (AI) allowing its vehicles to make safe and effective decisions in complex, previously unseen environments. This results in an inherently more adaptable and economically viable autonomous driving system.

#### **Principal risks and uncertainties**

The Group is still in the development phase and does not generate material revenue. It therefore relies on equity investment to fund its operations. The Group and directors carefully monitor the cash flow of the business to ensure operations can be managed in accordance with the Group's financing plans.

The Group proactively manages its financial risk across credit, liquidity and foreign exchange risk. In terms of credit risk, the Group does not have any outstanding interest-bearing obligations that would present credit risk to the business. In terms of liquidity risk, the Group maintains liquid access to its cash reserves and proactively monitors cash runway with respect to financing plans. In terms of foreign exchange risk, the Group holds all of its material expected foreign currency-denominated costs in the relevant local currency, providing a natural hedge against movements in the foreign exchange rate.

The Group's core activities are in the field of research and development of autonomous vehicles - an area which presents technological uncertainty and regulatory risk. Self-driving is at present still an unsolved technological problem and there are currently no proof points globally that demonstrate a commercially viable and scalable self-driving product. Deploying and scaling a self-driving product will also require changes to government legislation which as yet does not permit the removal of the driver in the UK (though it is permitted under specific licensing in other jurisdictions).

#### **Key performance indicators**

The directors consider the key financial performance indicators to be the total administrative expenses for the year, the net change in cash and cash held at bank.

The Group had total administrative expenses for the year of £23,659,257 (2021: £11,874,286).

The net change in cash for the period is an increase of £129,778,493 (2021: £5,130,081).

Cash held on the balance sheet at year end amounts to £156,220,202 (2021: £26,441,709).

This report was approved by the board and signed on its behalf by:



**A G Kendall**  
Director

Date: **7 August 2023**

## **WAYVE TECHNOLOGIES LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their annual report and the audited consolidated financial statements of Wayve Technologies Ltd (the "Company") and its subsidiary (together the "Group") for the year ended 31 August 2022.

#### **Principal activities**

*The Group's principal activity in the year continued to be the development of software for autonomous vehicles (AV).*

#### **Results and dividends**

The loss for the financial year amounted to £19,682,446 (2021: £10,177,144).

The directors do not recommend the payment of a dividend (2021: £Nil).

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

M Dempsey  
A G Kendall  
S Winterroth

#### **Going concern**

As at 31 August 2022, the Group's cash at bank and in hand amounted to £156,220,202 (2021: £26,441,709). The directors maintain cash flow forecasts which reflect the capital deployment plan required for the Group to achieve the technological and commercial milestones required to demonstrate proof of value. These forecasts also account for wider market-related impacts such as inflation, supply chain issues, and changes to the UK government's R&D scheme for SMEs. The forecasts cover a period of more than 12 months from the date of approval of these financial statements. This demonstrates that the Group can operate with its available financial resources even as it records a loss in the financial year. The Group's directors therefore deem it appropriate to prepare the financial statements on a going concern basis.

#### **Future developments and research & development activities**

In the following financial year, the Group will continue to grow its research and development operations to further improve the performance of its autonomous driving system - through investing in the development of both its AI software and next-generation vehicle platform. The Group will also be commencing the deployment of its commercial pilot programmes with its partners in the UK grocery market space.

#### **Financial risk management**

The financial risk management for the Group is discussed in the Strategic Report.

## WAYVE TECHNOLOGIES LTD

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

#### Independent auditors

The auditors, Price Bailey LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



**A G Kendall**  
Director

Date: 7 August 2023

## **WAYVE TECHNOLOGIES LTD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD**

#### **Opinion**

We have audited the financial statements of Wayve Technologies Ltd (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 August 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, Group Statement of Cash Flows, the Group Analysis of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other Matters**

The financial statements of Wayve Technologies Ltd for the year ended 31 August 2021 were not audited.

## **WAYVE TECHNOLOGIES LTD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## **WAYVE TECHNOLOGIES LTD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD (CONTINUED)**

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law and environmental regulations.

The group has a foreign subsidiary, therefore compliance with local laws and regulations are fundamental as well.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

**WAYVE TECHNOLOGIES LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD  
(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements (continued)**

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of foreign exchange rate and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing the legal expenses nominal code to identify transactions which may indicate litigation or other legal proceedings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- comparing year end, average and spot foreign exchange rates used to an external source and verifying that the translated amount is calculated correctly;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the group's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Norman (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants and Statutory Auditors  
24 Old Bond Street  
London  
W1S 4AP

Date: 8 August 2023

## WAYVE TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021* £
Administrative expenses		(23,659,257)	(11,874,286)
Fair value movements		44,724	(156,132)
<b>Operating loss</b>	5	<b>(23,614,533)</b>	<b>(12,030,418)</b>
Other income	4	38,117	-
Interest receivable and similar income	9	61,867	25,057
<b>Loss before taxation</b>		<b>(23,514,549)</b>	<b>(12,005,361)</b>
Tax on loss	10	3,832,103	1,828,217
<b>Loss for the financial year</b>		<b>(19,682,446)</b>	<b>(10,177,144)</b>
<b>Other comprehensive expense for the financial year</b>			
Currency translation differences		(229,544)	-
<b>Other comprehensive expense for the financial year</b>		<b>(229,544)</b>	<b>-</b>
<b>Total comprehensive expense for the financial year</b>		<b>(19,911,990)</b>	<b>(10,177,144)</b>
<b>Loss for the financial year attributable to:</b>			
Owners of the parent Company		<b>(19,682,446)</b>	<b>(10,177,144)</b>

\*Comparative figures are unaudited.

The notes on pages 16 to 37 form part of these financial statements.

**WAYVE TECHNOLOGIES LTD**  
**REGISTERED NUMBER: 10924127**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021* £
<b>Fixed assets</b>			
Tangible assets	11	2,424,103	994,321
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	198,578	
Debtors: amounts falling due within one year	13	7,394,704	3,493,040
Cash at bank and in hand	14	156,220,202	26,441,709
		<u>163,813,484</u>	<u>29,934,749</u>
Creditors: amounts falling due within one year	15	(2,345,039)	(814,201)
<b>Net current assets</b>		<u>161,468,445</u>	<u>29,120,548</u>
<b>Total assets less current liabilities</b>		<u>163,892,548</u>	<u>30,114,869</u>
Creditors: amounts falling due after more than one year	16	(111,408)	(25,401,055)
<b>Provisions for liabilities</b>			
Deferred tax	19	(299,400)	(136,179)
<b>Net assets</b>		<u>163,481,740</u>	<u>4,577,635</u>
<b>Capital and reserves</b>			
Called up share capital	17	651	409
Share premium account	20	193,675,331	18,256,939
Foreign exchange reserve	20	(229,544)	-
Share based payment reserve	20	5,881,676	2,484,215
Profit and loss account	20	(35,846,374)	(16,163,928)
<b>Total shareholders' funds</b>		<u>163,481,740</u>	<u>4,577,635</u>

\*Comparative figures are unaudited.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A G Kendall**  
 Director

Date: **7 August 2023**

The notes on pages 16 to 37 form part of these financial statements.

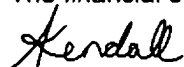
**WAYVE TECHNOLOGIES LTD**  
**REGISTERED NUMBER: 10924127**

**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	As restated 2021* £
<b>Fixed assets</b>			
Tangible assets	11	1,936,190	994,321
Investments	12	651,251	-
		<u>2,587,441</u>	<u>994,321</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	198,578	-
Debtors: amounts falling due within one year	13	19,173,958	3,493,040
Cash at bank and in hand	14	144,265,883	26,441,709
		<u>163,638,419</u>	<u>29,934,749</u>
Creditors: amounts falling due within one year	15	(2,250,430)	(814,201)
<b>Net current assets</b>		<u>161,387,989</u>	<u>29,120,548</u>
<b>Total assets less current liabilities</b>		<u>163,975,430</u>	<u>30,114,869</u>
Creditors: amounts falling due after more than one year	16	(111,408)	(25,401,055)
<b>Provisions for liabilities</b>			
Deferred taxation	19	(299,400)	(136,179)
<b>Net assets</b>		<u><u>163,564,622</u></u>	<u><u>4,577,635</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	651	409
Share premium account	20	193,675,331	18,256,939
Share based payment reserve	20	5,881,676	2,484,215
Profit and loss account brought forward		(16,163,928)	(5,986,784)
Loss for the financial year		(19,829,108)	(10,177,144)
		<u>(35,993,036)</u>	<u>(16,163,928)</u>
Profit and loss account carried forward	20	(35,993,036)	(16,163,928)
<b>Total shareholders' funds</b>		<u><u>163,564,622</u></u>	<u><u>4,577,635</u></u>

\*Comparative figures are unaudited.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A G Kendall**

Director

Date: 7 August 2023

The notes on pages 16 to 37 form part of these financial statements.

## WAYVE TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2022

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Share based payment reserve £	Profit and loss account £	Total shareholders' funds £
<b>At 1 September 2020*</b>	408	18,256,939	-	595,120	(5,986,784)	12,865,683
<b>Comprehensive income for the year</b>						
Loss for the year (restated)*	-	-	-	-	(10,177,144)	(10,177,144)
<b>Total comprehensive income for the year</b>	-	-	-	-	(10,177,144)	(10,177,144)
<b>Contributions by and distributions to owners</b>						
Shares issued during the year - Note 17*	1	-	-	-	-	1
Share based payment (restated) - Note 20*	-	-	-	1,889,095	-	1,889,095
<b>Total transactions with owners</b>	1	-	-	1,889,095	-	1,889,096
<b>At 1 September 2021*</b>	409	18,256,939	-	2,484,215	(16,163,928)	4,577,635
<b>Comprehensive expense for the financial year</b>						
Loss for the financial year	-	-	-	-	(19,682,446)	(19,682,446)
Currency translation differences	-	-	(229,544)	-	-	(229,544)
<b>Total comprehensive expense for the financial year</b>	-	-	(229,544)	-	(19,682,446)	(19,911,990)
<b>Contributions by and distributions to owners</b>						
Shares redeemed during the year - Note 17	(31)	-	-	-	-	(31)
Shares issued during the financial year - Note 17	273	175,418,392	-	-	-	175,418,665
Share based payment - Note 20	-	-	-	3,397,461	-	3,397,461
<b>Total transactions with owners</b>	242	175,418,392	-	3,397,461	-	178,816,095
<b>At 31 August 2022</b>	<b>651</b>	<b>193,675,331</b>	<b>(229,544)</b>	<b>5,881,676</b>	<b>(35,846,374)</b>	<b>163,481,740</b>

\*Comparative figures are unaudited.

The notes on pages 16 to 37 form part of these financial statements.

## WAYVE TECHNOLOGIES LTD

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2022

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total shareholders' funds £
<b>At 1 September 2020 (as previously stated)*</b>	<b>408</b>	<b>18,256,939</b>	<b>-</b>	<b>(6,589,532)</b>	<b>11,667,815</b>
Prior year adjustment*	-	-	595,120	602,748	1,197,868
<b>At 1 September 2020 (as restated)*</b>	<b>408</b>	<b>18,256,939</b>	<b>595,120</b>	<b>(5,986,784)</b>	<b>12,865,683</b>
<b>Comprehensive expense for the financial year</b>					
Loss for the financial year (restated)*	-	-	-	(10,177,144)	(10,177,144)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,177,144)</b>	<b>(10,177,144)</b>
<b>Contributions by and distributions to owners</b>					
Shares issued during the financial year - Note 17*	1	-	-	-	1
Share based payment (restated) - Note 20*	-	-	1,889,095	-	1,889,095
<b>Total transactions with owners</b>	<b>1</b>	<b>-</b>	<b>1,889,095</b>	<b>-</b>	<b>1,889,096</b>
<b>At 31 August 2021 and 1 September 2021 (restated)*</b>	<b>409</b>	<b>18,256,939</b>	<b>2,484,215</b>	<b>(16,163,928)</b>	<b>4,577,635</b>
<b>Comprehensive expense for the financial year</b>					
Loss for the financial year	-	-	-	(19,829,108)	(19,829,108)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,829,108)</b>	<b>(19,829,108)</b>
<b>Contributions by and distributions to owners</b>					
Shares issued during the financial year - Note 17	273	175,418,392	-	-	175,418,665
Shares redeemed during the year - Note 17	(31)	-	-	-	(31)
Share based payment - Note 20	-	-	3,397,461	-	3,397,461
<b>Total transactions with owners</b>	<b>242</b>	<b>175,418,392</b>	<b>3,397,461</b>	<b>-</b>	<b>178,816,095</b>
<b>At 31 August 2022</b>	<b>651</b>	<b>193,675,331</b>	<b>5,881,676</b>	<b>(35,993,036)</b>	<b>163,564,622</b>

\*Comparative figures are unaudited.

The notes on pages 16 to 37 form part of these financial statements.

**WAYVE TECHNOLOGIES LTD****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021* £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(19,682,446)	(10,177,144)
<b>Adjustments for:</b>		
Depreciation of tangible assets	703,844	363,356
Loss on disposal of tangible assets	2,450	-
Interest received	(61,867)	(25,057)
Taxation charge	(3,832,103)	(1,828,217)
Increase in debtors	(1,102,422)	(180,853)
Increase in creditors	1,530,838	762,891
Net fair value (gains)/losses recognised in P&L	(44,724)	156,132
Corporation tax received	997,504	-
Share based payment	3,397,461	1,889,095
Foreign exchange difference	(229,544)	-
<b>Net cash used in operating activities</b>	<b>(18,321,009)</b>	<b>(9,039,797)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(2,136,076)	(520,103)
Interest received	61,867	25,057
<b>Net cash used in investing activities</b>	<b>(2,074,209)</b>	<b>(495,046)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	150,173,742	1
Purchase of ordinary shares	(31)	-
Other new loans	-	14,664,923
<b>Net cash from financing activities</b>	<b>150,173,711</b>	<b>14,664,924</b>
<b>Net increase in cash and cash equivalents</b>	<b>129,778,493</b>	<b>5,130,081</b>
Cash and cash equivalents at beginning of year	26,441,709	21,311,628
<b>Cash and cash equivalents at the end of year</b>	<b>156,220,202</b>	<b>26,441,709</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	156,220,202	26,441,709

\*Comparative figures are unaudited.

The notes on pages 16 to 37 form part of these financial statements.

## WAYVE TECHNOLOGIES LTD

CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 AUGUST 2022

	At 1 September 2021 £	Cash flows £	Foreign exchange £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	26,441,709	130,008,037	(229,544)	-	156,220,202
Debt due after 1 year	(25,401,055)	-	-	25,289,647	(111,408)
	<u>1,040,654</u>	<u>130,008,037</u>	<u>(229,544)</u>	<u>25,289,647</u>	<u>156,108,794</u>

The notes on pages 16 to 37 form part of these financial statements.

## WAYVE TECHNOLOGIES LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 1. General information

Wayve Technologies Ltd (the "Company") is a private company limited by shares and incorporated in England. Its registered office address is 230 York Way, London, N7 9AG.

The Group's principal activity in the year continued to be the development of software for autonomous vehicles (AV).

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

##### 2.2 Prior year restatement

The following corrections to the application of the Group's accounting policies to comply with FRS 102 have been made as restatements of prior period financial statements for the correction of errors in accordance with Section 10 of the standard.

###### *Timing of research and development tax credit recognition*

The Company has historically been recording the R&D tax credit in its profit and loss account during the period the tax credit is received from HMRC. Under the accrual concept, income and expenses should be recognised in the financial statements when they are incurred, rather than paid. As such the tax credit and its associated professional fee from third party claim management company should have been recorded in the period when the underlying research and development activities were undertaken.

###### *Holiday accrual*

The Company did not accrue for employees' paid holidays at prior year end. Holiday accrual is required under FRS 102 as it aligns with the accrual concept. Employees earn their entitlement to paid holidays as they work throughout the employment period. Even if actual payment for those days off occurs in a subsequent accounting period, the expense is recognised as it is earned.

###### *Fixed assets*

On review of the Company's fixed assets record, management noted the depreciation charge for periods before 31 August 2021 had been calculated incorrectly.

###### *Deferred tax liability*

The Company did not recognise deferred tax liability as at 31 August 2021. Under FRS 102, companies are required to recognize and measure deferred tax liabilities on fixed assets to accurately reflect the future tax consequences of a temporary difference between the assets' carrying value and its tax base.

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 2. Accounting policies (continued)

## 2.2 Prior year restatements (continued)

*Share based payments*

The Company offers various share based incentive plans to its employees however they were not fair valued for accounting purposes or accounted for in the prior year financial statements.

*Capital Commitment*

The Company disclosed a material capital commitment balance in the note to its prior year financial statements. The balance disclosed was largely related to the Company's commitment for its cloud computing cost, which was not capital in nature, and should not have been disclosed as capital commitment. During the financial year ended 31 August 2022, in line with FRS 102 all costs incurred by the Company in relation to this commitment have been expensed in the income statement.

*Recognition of Financial Liabilities*

The Company had two convertible loan notes in issue ("CLN 2023" and "CLN 2024") as at 31 August 2021 with a combined principal of £25.2m. Both CLNs were automatically converted into senior shares following the completion of the Company's series B fund raise.

The Company issued a warrant which allows an additional subscription of senior shares at a price per share equal to the conversion price. The Warrant is exercisable prior to an exit event or otherwise for a predetermined period after the conversion date or redemption date.

Under FRS 102 this warrant should have been recognised as a financial liability with the changes of its fair value recognised through the Company's income statement until such time that the warrant is exercised or expired. As at 31 August 2021, no such financial liabilities was recognised.

See note 16 for further details.

The impact of the above prior year restatements are summarised in the table below.

	31 August 2021		31 August 2021
	As previously stated	Adjustment	As restated
	£	£	£
Tangible Assets	855,321	139,000	994,321
Debtors	1,528,644	1,964,396	3,493,040
Creditors: amounts falling due within one year	(513,395)	(300,806)	(814,201)
<b>Net current assets</b>	<b>27,456,958</b>	<b>1,802,590</b>	<b>29,259,548</b>
<b>Total assets less current liabilities</b>	<b>28,312,279</b>	<b>1,802,590</b>	<b>30,114,869</b>
Creditors: amounts falling due in more than one year	-	(156,132)	(156,132)
Deferred taxation	-	(136,179)	(136,179)
<b>Net assets</b>	<b>3,067,356</b>	<b>1,510,279</b>	<b>4,577,635</b>
Profit and loss account	(15,189,992)	(973,936)	(16,163,928)
Share based payment reserve	-	2,484,215	2,484,215
<b>Total shareholders' funds</b>	<b>3,067,356</b>	<b>1,510,279</b>	<b>4,577,635</b>

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****2. Accounting policies (continued)****2.3 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.4 Financial reporting standard 102 - Company reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in these consolidated financial statements.

**2.5 Going concern**

As at 31 August 2022, the Group's cash at bank and in hand amounted to £156,220,202. The directors maintain cash flow forecasts which reflect the capital deployment plan required for the Company to achieve the technological and commercial milestones required to demonstrate proof of value. These forecasts also account for wider market-related impacts such as inflation, supply chain issues, and changes to the UK government's R&D scheme for SMEs. The forecasts cover a period of more than 12 months from the date of approval of these financial statements. This demonstrates that the Company can operate with its available financial resources even as it records a loss in the financial year. The Company's directors therefore deem it appropriate to prepare the financial statements on a going concern basis.

## WAYVE TECHNOLOGIES LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 2. Accounting policies (continued)

##### 2.6 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.8 Government grants

Government grants have been recognised under the accrual model. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate while grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****2. Accounting policies (continued)****2.9 Interest Income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.10 Tangible assets**

Tangible assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	- Over the lease term
Plant and machinery	- 25% reducing balance basis and 33.3% straight line basis
Fixtures and fittings	- 25% reducing balance basis
Computer equipment	- 33.3% straight line basis

**2.11 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## WAYVE TECHNOLOGIES LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

#### 2. Accounting policies (continued)

##### 2.15 Current and deferred taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

##### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****2. Accounting policies (continued)****2.17 Financial instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors, creditors and loans and borrowings. The Group also enters into complex financial instrument transactions that result in the recognition of financial liabilities like warrants.

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Consolidated Statement of Comprehensive Income.

Basic financial liabilities, including trade and other payables and loans and borrowings, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Complex financial instruments consist of warrants which are initially recognised at fair value on the date the warrant agreement is entered into and are subsequently re-measured at their fair value. Changes in the fair value are recognised in profit or loss in 'Fair value movements' in the Statement of Comprehensive Income.

**2.18 Leased assets**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the Group's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

## **WAYVE TECHNOLOGIES LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

#### **2. Accounting policies (continued)**

##### **2.19 Share based payments**

The Group operates equity-settled share-based compensation plans whereby employees of the Group are granted equity awards in the Company in the form of share options, restricted shares and growth shares.

The fair value of the award is measured at the grant date, taking into account non-vesting conditions. The fair value is charged to profit or loss over the vesting period with a corresponding increase in equity.

At each statement of financial position date, the Group revises its estimate of the number of awards that are expected to become exercisable based on forfeiture rates, and makes adjustments such that at the end of the vesting period the cumulative charge is based on the number of awards that eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period. There were no modifications to the terms and conditions of options during the current or previous financial period.

When a share based payment award is exercised an intra-equity movement is recorded to transfer the cumulative charge recorded within the share-based payment reserve for those awards to retained earnings

##### **2.20 Pensions**

Contributions to defined contribution plans are expensed in the period to which they relate.

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Group's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**Share-based Payment Provision**

The Group operates equity-settled share-based compensation arrangement whereby employees of the Group are granted equity awards in the Company in the form of share options, restricted shares and growth shares. As the Group is not revenue generating and its shares not actively traded in any market, a significant estimate was present in relation to determining the fair value of the underlying shares at the grant date.

The Group uses Black-Scholes-Merton option pricing model to estimate the fair value of the underlying shares at the grant date. Key inputs of the model, such as risk free rate, expected volatility and term length are summarised in note 21.

Management considers the estimation of the expected term to be a significant judgement. It reflects the period to an exit event which is expected to trigger the conversion of various preferred shares, growth shares and exercise of share options. A successful exit event would depend on a number of factors over which the Group has limited influence. Further details including a sensitivity analysis on the expected terms over the estimated fair value are presented in note 21.

**R&D tax credit estimate**

The Company incurs significant amount of research and development cost on its journey to build its differentiated "AV2.0" self-driving approach and relies partially on the UK government's R&D tax credit scheme to fund and accelerate its research and development activities. Management work with third party service provider to prepare and submit the R&D tax credit application.

As of 31 August 2022, the review and preparation process of the R&D tax credit in relation to the current financial year has not commenced.

During the estimation process for the Company's entitled R&D tax credit, management exercised judgment in the following key areas:

1. **Percentage of Operating Costs:** Management compared historical qualifying R&D costs against the Company's operating costs of the corresponding financial year and noted consistent level of qualifying percentage. The average historical qualifying percentage serves as the base rate, which is adjusted to account for increased headcounts in commercial and supporting functions during the financial year.
2. **Base Cost Calculation:** In determining the base cost against which the calculated percentage is applied, management considered the following areas:
  - a. **Consolidated Basis:** The base cost is derived from the consolidated operating loss. This approach is chosen due to the US subsidiary's ability to recharge operating costs to the UK parent company with a markup under the existing transfer pricing arrangement. Moreover, the US operation's funding through an intercompany loan from the UK renders the US recharge as prepaid.
  - b. **Exclusions for Comparability:** To ensure comparability, the base cost excludes charges related to share-based payments and the fair value movement of the Company's financial liabilities. These costs are not considered qualifying R&D expenditure and are also excluded when calculating the historical qualifying rate.

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****4. Other income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other income	<b>1,900</b>	-
Government grants receivable	<b>36,217</b>	-
	<b><u>38,117</u></b>	<u>-</u>

**5. Operating loss**

The operating loss is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	<b>703,844</b>	<b>363,356</b>
Exchange differences	<b>(938,042)</b>	<b>(981)</b>
Operating lease rentals	<b>1,335,127</b>	<b>693,000</b>
	<b><u>1,335,127</u></b>	<u>693,000</u>

**6. Auditors' remuneration**

During the year, the Group obtained the following services from the Company's auditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<b>33,000</b>	-
	<b><u>33,000</u></b>	<u>-</u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	12,829,662	5,794,769	11,433,769	5,794,769
Social security costs	1,623,494	650,882	1,436,517	650,882
Cost of defined contribution scheme	208,498	152,902	179,265	152,902
	<u>14,661,654</u>	<u>6,598,553</u>	<u>13,049,551</u>	<u>6,598,553</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	<u>134</u>	<u>80</u>	<u>128</u>	<u>80</u>

## 8. Directors' remuneration

	2022 £	2021 £
Aggregate directors' remuneration	145,999	105,852
Group contributions to defined contribution pension schemes	1,381	-
	<u>147,380</u>	<u>105,852</u>

During the year retirement benefits were accruing to 1 director (2021: Nil) in respect of defined contribution pension schemes.

**Key management personnel**

The remuneration of key management personnel of the group, who are also directors, was £147,380 (2021: £105,852).

## 9. Interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	<u>61,867</u>	<u>25,057</u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 10. Tax on loss

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on losses for the financial year	(3,995,324)	(1,964,396)
<b>Total current tax</b>	<u>(3,995,324)</u>	<u>(1,964,396)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	100,541	136,179
Changes to tax rates	31,750	-
Adjustments in respect of previous periods	30,930	-
<b>Total deferred tax</b>	<u>163,221</u>	<u>136,179</u>
<b>Total tax</b>	<u><u>(3,832,103)</u></u>	<u><u>(1,828,217)</u></u>

**Factors affecting tax charge/(credit) for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss before taxation	<u>(23,514,549)</u>	<u>(12,005,361)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19%	(4,467,764)	(2,251,354)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	29,588	156,573
Adjustments to tax charge in respect of prior periods	30,930	-
Non-taxable income	(9,870)	-
Research and development tax credit	(3,995,324)	(1,964,396)
Tax rate changes	31,750	-
Deferred tax not provided	4,548,587	2,230,960
<b>Total tax charge/(credit) for the financial year</b>	<u><u>(3,832,103)</u></u>	<u><u>(1,828,217)</u></u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 10. Tax on loss (continued)

## Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

## 11. Tangible assets

## Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2021	154,972	763,742	105,452	672,776	1,696,942
Additions	370,052	938,921	298,946	528,157	2,136,076
Disposals	-	-	-	(2,634)	(2,634)
At 31 August 2022	<u>525,024</u>	<u>1,702,663</u>	<u>404,398</u>	<u>1,198,299</u>	<u>3,830,384</u>
<b>Accumulated depreciation</b>					
At 1 September 2021	54,661	255,811	41,566	350,583	702,621
Charge for the year	123,513	256,870	53,254	270,207	703,844
Disposals	-	-	-	(184)	(184)
At 31 August 2022	<u>178,174</u>	<u>512,681</u>	<u>94,820</u>	<u>620,606</u>	<u>1,406,281</u>
<b>Net book value</b>					
At 31 August 2022	<u>346,850</u>	<u>1,189,982</u>	<u>309,578</u>	<u>577,693</u>	<u>2,424,103</u>
At 31 August 2021	<u>100,311</u>	<u>507,931</u>	<u>63,886</u>	<u>322,193</u>	<u>994,321</u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 11. Tangible assets (continued)

## Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2021	154,972	763,742	105,452	672,776	1,696,942
Additions	197,998	746,944	189,632	464,552	1,599,126
Disposals	-	-	-	(2,634)	(2,634)
At 31 August 2022	352,970	1,510,686	295,084	1,134,694	3,293,434
<b>Accumulated depreciation</b>					
At 1 September 2021 (as previously stated)	57,390	278,089	49,150	456,992	841,621
Prior Year Adjustment	(2,729)	(22,278)	(7,584)	(106,409)	(139,000)
At 1 September 2021 (as restated)	54,661	255,811	41,566	350,583	702,621
Charge for the year	102,069	245,833	42,487	264,418	654,807
Disposals	-	-	-	(184)	(184)
At 31 August 2022	156,730	501,644	84,053	614,817	1,357,244
<b>Net book value</b>					
At 31 August 2022	196,240	1,009,042	211,031	519,877	1,936,190
At 31 August 2021 (as restated)	100,311	507,931	63,886	322,193	994,321

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****12. Investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 September 2021	-
Additions	651,251
At 31 August 2022	<u>651,251</u>
<b>Net book value</b>	
At 31 August 2022	<u>651,251</u>
At 31 August 2021	<u>-</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Wayve Technologies Inc	709 N. Shoreline Blvd, Mountain View, CA 94303, United States	Development of software for autonomous vehicles (AV)	Ordinary	100%

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 13. Debtors

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
<b>Due after more than one year</b>				
Other debtors	198,578	-	198,578	-
	<u>198,578</u>	<u>-</u>	<u>198,578</u>	<u>-</u>
	Group	Group	Company	Company
	2022	2021	2022	As restated 2021
	£	£	£	£
<b>Due within one year</b>				
Amounts owed by group undertakings	-	-	12,242,002	-
Other debtors	721,013	426,825	649,961	426,825
Corporation tax	6,021,084	3,023,264	6,021,084	3,023,264
Prepayments and accrued income	652,607	42,951	260,911	42,951
	<u>7,394,704</u>	<u>3,493,040</u>	<u>19,173,958</u>	<u>3,493,040</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

## 14. Cash at bank and in hand

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	156,220,202	26,441,709	144,265,883	26,441,709
	<u>156,220,202</u>	<u>26,441,709</u>	<u>144,265,883</u>	<u>26,441,709</u>

## 15. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2022	2021	2022	As restated 2021
	£	£	£	£
Trade creditors	809,311	157,521	802,015	157,521
Other taxation and social security	570,782	296,119	570,782	296,119
Other creditors	109,385	48,544	78,090	48,544
Accruals and deferred income	855,561	312,017	799,543	312,017
	<u>2,345,039</u>	<u>814,201</u>	<u>2,250,430</u>	<u>814,201</u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 16. Creditors: amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Warrants	111,408	156,132	111,408	156,132
Other loans	-	25,244,923	-	25,244,923
	<u>111,408</u>	<u>25,401,055</u>	<u>111,408</u>	<u>25,401,055</u>

The Company had two convertible loans in issue ("CLN 2023" and "CLN 2024") at the beginning of the current financial year with a combined principal of £25.2m. Both CLNs were automatically converted into senior shares following the completion of the Company's series B fund raise.

No interest is payable on either CLN unless the Company fails to pay any redemption amount when due. Both CLNs were subject a pre-defined valuation cap, and shall be converted automatically into senior shares on the earlier of:

- A qualified financing;
- An exit event; or
- 36 months after issue.

The Company issued a warrant which allows an additional subscription of senior shares at a price per share equal to the conversion price. The Warrant is exercisable prior to an exit event or otherwise for a predetermined period after the conversion date or redemption date.

The fair value for the CLNs and the warrant is calculated using the Black-Scholes-Merton model following the same approach as for share based payments. For detailed valuation process and discussions on the key model inputs, please see note 21.

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 17. Called up share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
2,141,872 (2021: 1,817,051) Ordinary shares of £0.0001 (2021: £0.0001) each	214	182
47,096 (2021: Nil) Growth shares of £0.0001 (2021: £Nil) each	5	-
679,419 (2021: 679,419) Seed shares of £0.0001 (2021: £0.0001) each	68	68
1,291,107 (2021: 1,291,107) Series A shares of £0.0001 (2021: £0.0001) each	129	129
646,188 (2021: Nil) Series B-1 shares of £0.0001 (2021: £Nil) each	65	-
1,688,436 (2021: Nil) Series B shares of £0.0001 (2021: £Nil) each	169	-
14,302 (2021: 305,500) Deferred shares of £0.0001 (2021: £0.0001) each	1	30
	<u>651</u>	<u>409</u>

Share capital represents the aggregate nominal value of all shares in issue.

All shares other than the Growth shares and Deferred shares are entitled to voting and dividend rights.

All shares apart from the Deferred shares are not redeemable.

On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed in accordance with article 5 of the Company's articles of association.

During the period, certain employees exercised share options to acquire 28,805 Ordinary shares of £0.0001 each for a total consideration of £2.88. In addition, 309,318 of Ordinary shares and 48,096 Growth shares were issued at nominal value under the Company's employee share schemes. Furthermore, 305,500 Deferred shares were redeemed in that period and 13,302 of Ordinary shares and 1,000 of Growth shares were re-designated into Deferred shares of £0.0001 each.

During the relevant period the company also went through a funding round. In total 646,188 Series B-1 shares were issued and 1,688,436 Series B shares were issued. The total amount paid for Series B-1 shares was £25,244,923 with £150,173,389.61 being paid for Series B shares.

## 18. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Financial liabilities</b>				
Other financial liabilities measured at fair value through profit or loss	<u>111,408</u>	<u>25,401,055</u>	<u>111,408</u>	<u>25,401,055</u>

Other financial liabilities measured at fair value through profit and loss comprise warrants and other loans.

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 19. Deferred taxation

## Group

	<b>2022</b> £
At beginning of year	(136,179)
Charged to profit or loss	(163,221)
<b>At end of year</b>	<b>(299,400)</b>

## Company

	<b>2022</b> £
At beginning of year (as restated)	(136,179)
Charged to profit or loss	(163,221)
<b>At end of year</b>	<b>(299,400)</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b> <b>2022</b> £	<b>Group</b> <b>2021</b> £	<b>Company</b> <b>2022</b> £	<b>Company</b> <b>2021</b> £
Accelerated capital allowances	<u>(299,400)</u>	<u>(136,179)</u>	<u>(299,400)</u>	<u>(136,179)</u>

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****20. Reserves****Share premium account**

The share premium account represents consideration received in respect of the issuance of share capital in excess of the nominal value of that share capital, less any costs directly incurred in connection with the issue.

**Foreign exchange reserve**

Foreign exchange reserve represents accumulated foreign exchange differences generated on consolidation.

**Share based payment reserves**

Share based payment reserve represents the fair value of options granted at grant date.

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the Group and Company.

**21. Share based payments**

During the financial year ended 31 August 2022, the Group had the following shared-based payment arrangement in place, all of which are equity settled and have a vesting condition of continuous employment by the Group.

*Share options*

Share Options vest over 4 years, with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

*RSA*

Restricted Shares vest over 4 years, with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

*Growth shares*

All Growth Shares are subject to a Threshold Value. Any Growth Shares shall be treated as Qualifying Growth Shares if the aggregate proceeds on a liquidation, return of capital, sale or similar is greater than the Threshold Value. In the event of an IPO, all Growth Shares in relation to which the IPO valuation exceeds the relevant Threshold Value shall automatically convert into Ordinary Shares. All other Growth Shares shall automatically convert into Deferred Shares. Growth Shares vest over 4 years, either in 1/16 increments every 3 months, or with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

The share based payment charges for each type of award are summarised in the table below.

Period	2022	2021
Share options	2,245,034	1,696,154
RSA	1,115,999	192,941
Growth shares	36,428	-
Total	<u>3,397,461</u>	<u>1,889,095</u>

## WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

## 21. Share based payments (continued)

Share options	2022		2021	
	Number of share options	Weighted average exercising price (£)	Number of share options	Weighted average exercising price (£)
Opening balance	601,209	0.0079	267,908	0.0001
Granted	555,499	0.0001	372,574	0.0126
Exercised	(28,805)	0.0001	(15,301)	0.0001
Forfeited/cancelled	(237,559)	0.3555	(23,972)	0.0001
Closing balance	890,344	0.1002	601,209	0.0079
Exercisable at year end	82,680	3.2448	37,469	3.2253

Share options outstanding as at 31 August 2022 had exercise prices in the range of £0.0001 to £4.11 (2021: £0.0001 to £0.37).

**Fair Value**

The option pricing methodology ("OPM") applies option pricing theory to allocate the current equity value of the Company amongst the various equity instruments in the capital structure. This approach is derived from the observation that on a liquidation or exit event, each equity instrument shall represent a claim over the equity of the Company, subject to the satisfaction of the claims of any prior ranking instruments. The future returns of each instrument can therefore be replicated by a series of call options.

The present value of each instrument can be valued by applying the Black-Scholes-Merton option pricing formula to calculate the present value of the expected payoff to these call options at an assumed future exit event.

As the OPM can be used to allocate the current equity value amongst all equity instruments, it can also be used to back-solve the current equity value from a known value for a particular instrument. In this case, the Company used the price agreed by investors in the latest funding round to back-solve the Company's total equity value and, indirectly, the value of the awarded instruments.

The value ranges for inputs for the Black-Scholes-Merton model are summarised below.

Expected term	1.54 - 6.4 years
Expected volatility	42% - 79%
Risk-free rate	-0.08% - 3.51%
Expected dividend rate	-

**Fair value**

Share options	£0.0001 - £25.32
RSA	£9.00 - £18.38
Growth shares	£2.91 - £3.14

The expected term reflects the period to an exit event as this is expected to trigger conversion of the various Preferred Shares and Growth Shares and exercise of the Options. For all equity awards granted at various dates, the Company have adopted an expected term consistent with an expected exit based on Management's expectations.

The risk-free rates have been estimated based on the yield to maturity on UK Government Debt with a tenor commensurate to the expected term as at each valuation date.

The expected volatility has been estimated with reference to the median historical volatility of broadly comparable companies at each valuation date when observed over a period commensurate to the expected term.

**WAYVE TECHNOLOGIES LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022****21. Share based payments (continued)**

Management consider the estimation of the expected term to be a significant judgement, as a successful exit event would be based on various factors such as of the outcome of the Company's research and development, the general market condition and wider economic environment. A sensitivity analysis of how the fair value changes in relation to the movement of expected term have been prepared with results below. In case of multiple awards the range of impact on fair value is presented.

	<b>-1.0 year</b>	<b>-0.5 year</b>	<b>base</b>	<b>+0.5 year</b>	<b>+1.0 year</b>
RSA	£0.49 - £11.9	£0.48 - £11.44	£0.48 - £11.07	£0.47 - £10.74	£0.47 - £10.45
Growth share	£1.21	£2.13	£2.91	£3.56	£4.11
Share options	£0.49 - £27.65	£0.48 - £26.37	£0.48 - £25.32	£0.47 - £24.43	£0.47 - £23.64

**22. Pension commitments**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £208,498 (2021: £152,902).

**23. Other financial commitments**

	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Total future minimum payments under non-cancellable operating leases</b>				
Less than one year	<b>1,645,203</b>	1,548,368	<b>1,369,970</b>	1,548,368
Later than 1 year and not later than 5 years	<b>238,978</b>	-	<b>143,622</b>	-
	<b><u>1,884,181</u></b>	<u>1,548,368</u>	<b><u>1,513,592</u></b>	<u>1,548,368</u>

**24. Related party transactions**

The Company has taken advantage under section 33.1A of FRS 102 not to provide information on related party transactions with other undertakings. The Company does not have any other balances or transactions with other related parties.

**25. Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**26. Ultimate controlling party**

The Company does not have an ultimate controlling party.